



When customers experience problems in their daily computing activities that require immediate assistance, one avenue open to them is to contact our certified help desk professionals. Having a centralized unit within the organization to handle and manage incidents has proven to be an extremely effective way of supporting the customer and delivering better service.



In response to the increasing need for faster restoration times following emergencies, electronic data vaulting is utilized to provide an automated, off-site backup archive and retrieval of customer data. Mission-critical applications run at the AAC can be recovered at an alternate VA site within 12 hours of a declared disaster.

## Information Technology

The **Austin Automation Center (AAC)** provides the Veterans Health Administration (VHA), Veterans Benefits Administration (VBA), and National Cemetery Administration (NCA) with IT hosting services for many of the key systems that directly support veterans.

- **MyHealtheVet** is a Web-based application designed specifically for veterans and their families. The tools help veterans partner with healthcare providers to achieve their best possible health. Veterans add information to their personal health journal about over-the-counter medications, allergies, military health histories, medical events, and tests. Veterans can also keep a log of personal health readings, such as blood pressure, blood sugar, cholesterol, weight, heart rate, and pain level, and can securely request refills for their prescriptions online.
- **HomeTelehealth** is an innovative program that enables veterans to self-report recurring health monitors to VA medical centers and receive health assessments without physically going to clinics, which can be difficult for elderly or chronically ill patients.
- The **Scheduling Replacement Project** will provide a re-engineered and redesigned outpatient appointment scheduling system to better meet the needs of staff and patients. The system is based on the Institute for Health Care Improvement guidelines for open and advance access to care models.
- The **Health Data Repository** is a repository of clinical information that can be used by clinicians and other personnel to facilitate longitudinal, patient-centric care.
- The **Enrollment System Redesign (ESR)** will be used by VHA to integrate the Administrative Data Repository with a centralized application for registering patients for VA health care and facilitating the decisions involved in the enrollment process. ESR will connect the local VA health care facility with the centralized database to provide a single view of the enrollment status for any individual veteran.
- **VBA's Corporate Applications** are being automated to improve benefits delivery processes. As a result, a major effort is under way to migrate VBA's legacy systems into an integrated information system, VETSNET.
- **Loan Guaranty System** allows online processing of applications for VA loans.
- **VBA's Architecture for Common Services (ACS) System**, together with the Administrative Data Repository, provides infrastructure for VHA applications processing at the AAC. The ACS provides a standard set of peripheral services required by any centralized HealtheVet (HeV) application. Typical services include common access to the centralized database, a centralized personal identity management function, and messaging services. The ACS is the backbone of the HeV architecture employed by VHA.
- NCA initiates requests on a family's behalf and the AAC prints **Presidential Memorial certificates** that express, from the President, the Nation's gratitude for a veteran's honorable service to next-of-kin and other family members of a deceased veteran.

- **National Change of Address (NCOA)** and address-cleansing services provide standardized United States Postal Service (USPS) deliverable addresses for VA mail delivery. In addition to improving the success rate of mail delivery, this service enables VA to receive USPS postage discounts. Through a partnership with the USPS and third-party software, the AAC provides address-cleansing and NCOA services for the VA community.

The AAC hosts several important sharing projects between DoD and VA.

- The **Consolidated Mail Out Pharmacy (CMOP)** allows DoD patients to receive prescription refills using VA CMOP facilities, resulting in substantial cost savings to DoD and enhanced revenue for VA.
- The **Laboratory project** is similar to CMOP and allows DoD hospitals to order lab results from VA medical centers and have results transferred back securely, using a virtual private network hosted at the AAC. DoD is also investigating the benefits of using the DoD-VA gateway at the AAC to transmit images, such as X-ray, CAT scan, and other digitized medical data to VA medical centers for analysis. Such telemedicine projects have already been effective within VA.
- The **DoD-VA Bidirectional Health Information Exchange (BHIE)** is a Federal health care initiative that facilitates the secure electronic two-way exchange of patient medical information between VA and DoD health organizations. The primary mission of BHIE is to provide an electronic communication system that government health care providers can use to access and provide pertinent medical information about an individual across the continuum of care while protecting the individual's privacy.

The Records Center and Vault (RC&V) indirectly supports the veteran population by providing a climate controlled, highly secure facility for storage of their vital records. Prompt service is given through its Web-enabled Records Retrieval System. The RC&V stores approximately 1.2 million boxes of records and receives approximately 75,000 additional boxes of newly archived records, mainly from VHA, each year.

Our OGA customers have unique requirements necessitating higher levels of service. Our customized storage environment meets their security and access needs, and the RC&V staff servicing OGA records possess elevated levels of security clearance.



## Plans for 2007 and Beyond



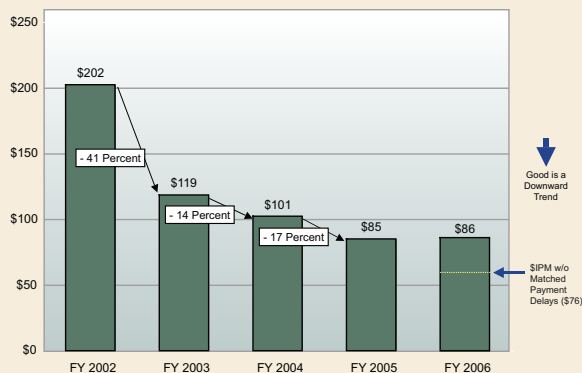
### ■ Implementation of Industry Best Practices

To provide increasing value to our customers, the AAC uses a continuous process improvement approach to managing the delivery of services. The AAC is instituting several management initiatives considered to be industry best practices. These include improving service management/service delivery processes through the implementation of Information Technology Infrastructure Library guidelines, pursuing a Capability Maturity Model Integration Level III accreditation in FY 2007, and evaluating projects using Earned Value Measurement to control project risk by measuring project progress in terms of cost and schedule. The AAC is focusing on the complementary strengths of each of the models to develop and document process assets.

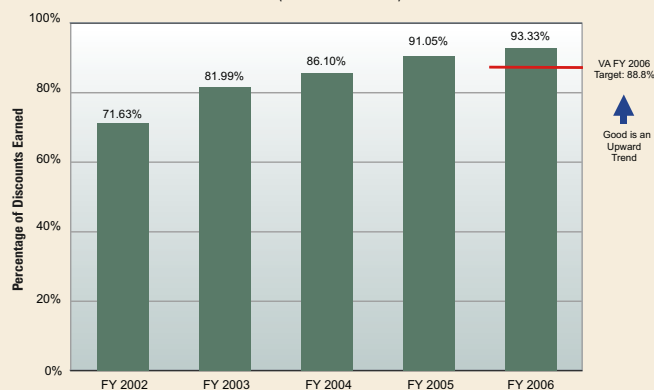
### ■ Relocation of Vault's Inventory

The RC&V will close the Vault when the 10-year lease expires in FY 2007. A business case analysis concluded that a considerable financial investment would be required to bring the Vault and its equipment up to acceptable operating standards. The Vault's inventory will be relocated to its nearby Records Center; the move will take place over several months to avoid disruption in customer service.

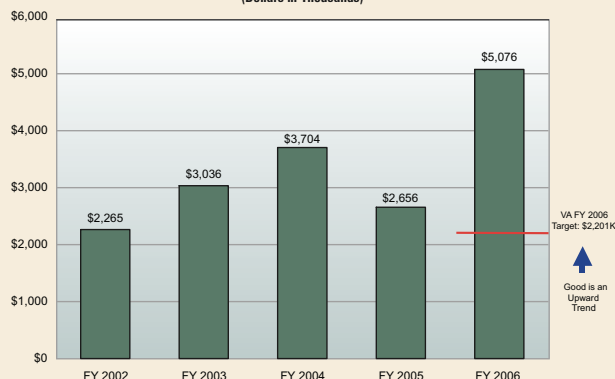
**Department of Veterans Affairs**  
Interest Per \$Million Disbursed



**Department of Veterans Affairs**  
Percentage of Total Discounts  
(Earned vs. Available)



**Department of Veterans Affairs**  
Total Audit Recovery Collections  
(Dollars in Thousands)



## Financial Management

The **Financial Services Center (FSC)** provides a full range of financial and accounting services:

- Compliance with the **Prompt Payment Act** continues to enhance the Department's vendor payment processes. The Department processed over 5.6 million Prompt Payment Act-eligible invoices worth over \$9.7 billion, with over 99 percent paid on time. In FY 2006, interest payments VA-wide increased by \$113,000 (from \$746,000 to \$858,000—a 15.2 percent increase over FY 2005 levels), largely attributable to an increase in interest on payments for the delivery of goods, and subsequently corrected through a process improvement. Further FY 2006 interest paid as a percentage of total payments remained unchanged from FY 2005 levels. At the same time, discounts earned declined by \$1.4 million to \$4.8 million, a 22.7 percent decrease over FY 2005 levels due to fewer available discounts. VA's percentage of discounts actually earned improved from 91.1 percent in FY 2005 to 93.3 percent in FY 2006. The improvement in discount processing saved VA \$116,000 million in FY 2006.

VA also continued to gain efficiencies and better results through an initiative completed in FY 2006 to centralize vendor payment activities at the FSC. By centralizing vendor payment activities, VA strengthened its focus on identifying and preventing vendor payment errors. The FSC also enhanced audit recovery efforts of improper/duplicate vendor payments. The FSC routinely reviews VA vendor payments daily to identify, prevent, and recover improper payments made to commercial vendors. Current payment files are matched to identify and, where possible, prevent duplicates prior to payment. Also, payments from prior fiscal years are matched to identify potential duplicate payments for further analysis, assessment, and, as appropriate, collection. The FSC staff also reviews vendor payments to identify and collect improper payments such as erroneous interest penalties, service charges, and sales taxes that resulted from payment processing. This initiative recovered over \$277,000 during FY 2006 for reuse by VA entities.

Overall, during FY 2006, collections of improper payments and the recovery of unapplied vendor statement credits totaled over \$5.1 million. Improved payment oversight also enabled VA to identify and cancel nearly \$7.9 million in potential improper payments prior to disbursement. Since the FSC audit recovery effort's inception in FY 2001, VA has recovered over \$18.3 million in improper payments and prevented the improper payment of another \$21.1 million.

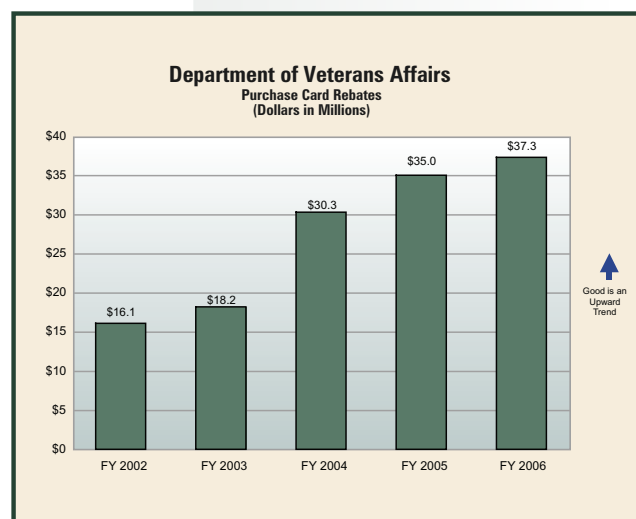
■ The **Commercial Purchase Card Program** (e.g., micro-purchase card, fee basis, and travel) is aggressively used in the Department.

■ Over 3.7 million **Micro-Purchase Card** transactions were processed, representing over \$2.1 billion in purchases. The electronic billing and payment process for centrally billed card accounts earned VA \$37 million in credit card refunds, compared with \$35 million during the same period in FY 2005. These refunds are returned to VA entities for use in veterans programs.

■ The **Fee Basis Program** automates health care fee basis payments, eliminates paper checks, and earns VA additional credit card refunds. In FY 2006, VA's Fee Basis credit card program processed over 200,000 transactions, representing \$50 million in payments, and generating over \$824,000 in refunds compared with \$414,000 during FY 2005.

■ **VA's Travel Management Centers (TMCs)** serve veterans and employees who travel frequently. The billings are transmitted electronically from each TMC, and payment is sent daily through the Department of the Treasury's Secure Payment System. In FY 2006, the travel management program processed over 127,000 transactions, disbursed payments of over \$22 million, and earned over \$274,000 in refunds.

■ **VA's Prime Vendor Payment System** automates payments under a nationwide prime vendor centralized purchasing contract. In FY 2006, 126 VA medical centers used the Prime Vendor System to electronically process over 430,000 transactions with over \$3.6 billion compared with over \$3.7 billion during FY 2005. The FSC ensures that vendors who participate in VA's multi-billion-dollar prime vendor procurement program are paid on time. These vendors provide VA medical centers with an efficient way to order supplies at low, negotiated contract prices and guarantee delivery within 24 hours, eliminating the need for warehousing large volumes of supplies.





The **Vendor Inquiry System (VIS)** stores over 3 years of information on invoices. Once vendors complete an authentication process, they can access a secure Web site to view payment information for their company. Currently there are 21,355 registered vendors who have made over 427,755 requests in FY 2006 and a total of over 1.1 million requests since VIS's inception in April 2003. The VIS provides FSC vendors an easy-to-use tool for immediate access to their payment information 24 hours a day without having to call and wait for a person to provide payment information. The VIS has also improved the customer service efficiency of the FSC staff by handling many routine inquiries and freeing staff to work the more difficult issues for customers.



- The **OnLine Certification System (OLCS)** allows invoices to be certified electronically by VA facilities and scheduled for payment. The OLCS allows the FSC to notify certifying officials via e-mail of any invoice requiring payment certification. Through the Intranet, the certifying official can view, certify, and forward the invoice to the FSC for payment processing, reducing the processing time to hours rather than days. In FY 2006, the FSC completed most of the centralization of certified and matched payments throughout VA and implemented OLCS at all VA medical facilities. This brings the number of OLCS users to 9,000.
- The **Electronic Commerce (EC)/Electronic Data Interchange (EDI) System** is used to process invoices, purchase orders, and payments for the Veterans Canteen Service, Denver Acquisition and Logistics Center, and the VA subsistence prime vendor program. The Veterans Benefits Administration (VBA) benefits from EC service in the FSC's handling of loan processing, identifying the status of loan defaults, and processing loan guaranty certificates. In addition, the FSC supports Veterans Health Administration (VHA) initiatives (e-Claims enhancements, e-Insurance Verification, e-Medicare Remittance Advice, e-Payments, and e-Pharmacy) as well as the National Provider Identifier and Patient Financial Services System projects by complying with EC/EDI mandates identified in the Health Insurance Portability and Accountability Act of 1996 to electronically ensure the validity of data. The FSC implemented EC/EDI for its first non-VA customer (Department of Agriculture) in FY 2006.
- The **Document Management System (DMS)** allows the FSC to provide a paperless work environment, reduce physical storage needs, and process high volumes of documents. Documents are stored both magnetically and on optical platters and can be retrieved in seconds. Backups are stored offsite. Initially, the DMS was used to process commercial payments and inquiries. Subsequently, the FSC's use of DMS has been expanded to include other functions such as storing requests for supplemental vendor information, Federal accounts information, and other Federal agencies' grants and scheduling documents. Additionally, the DMS has shown potential for storing and retrieving finance records, payroll folder data, contract files, and legal documents.

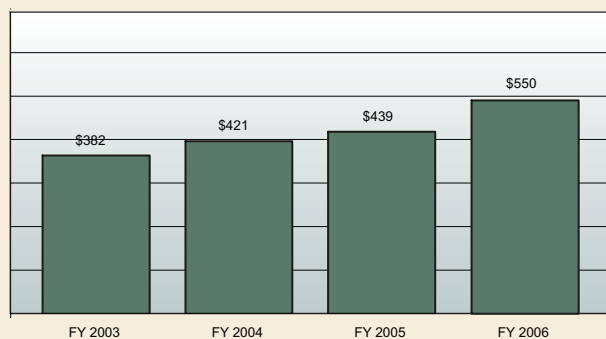
The **Debt Management Center (DMC)** continues its role as a leader in the Federal debt management community. By providing a complete accounts receivable program, the DMC continues to service both VBA and VHA by collecting benefit program debts and implementing administrative offsets on delinquent medical debts.

The DMC continued to increase collections/administrative offsets as more effort was placed on maximizing the use of our collection tools. This major accomplishment is a direct result of several improved business practices: elimination of second collection notices, shortening collection timeframes before issuing the mandatory referral to Treasury for offset under the Treasury Offset Program, and the implementation of a Web-based application that allows

debtors to use a credit card to pay their debt online. Online collections reached \$7.4 million in FY 2006—a 57 percent increase from FY 2005 levels (\$4.7 million).

The Department's collections have grown consistently since FY 2003—showing a 44 percent increase from \$382 million to an estimated \$550 million in FY 2006. By taking advantage of all available collection tools, the DMC strives to maximize return on the dollar while reducing the Department's delinquent benefit debt portfolio.

### Department of Veterans Affairs Collections/Administrative Offsets (Includes benefit offsets for medical debts) (Dollars in Millions)



## Plans for 2007 and Beyond



### ■ Support Service for E-Gov Initiatives

E-Travel is an e-Gov initiative in which the FSC has been integrally involved. The FSC will continue to provide VA-wide support during the pre- and post-implementation phases to FedTraveler.com. E-Travel help desk support will be provided to travelers who are currently using other travel solutions until they are migrated to FedTraveler.com. This migration is scheduled to be completed in FY 2008. At this time, Electronic Data Systems, Inc. will begin to provide help desk support to VA travelers.

The FSC will also continue to support the e-Payroll initiative, which is a part of the e-Gov strategy to simplify and standardize Federal payroll processes. Under this initiative, VA was aligned with DoD's Defense Finance and Accounting Service (DFAS). The first phase of the DFAS payroll processing was completed in August 2006. It included approximately 1,500 employees serviced by the FSC's local payroll staff. The second phase is scheduled to begin in mid-2007, with the remainder of VA's payroll processing scheduled to be migrated to DFAS by the end of FY 2008.

### ■ Expansion of Great Plains® Accounting Package

The FSC will continue to expand its customer base for Great Plains® Accounting Package, Medical Claims Processing, and EC/EDI by pursuing small and mid-sized OGAs.

### ■ Support Service for VA's Financial Management Initiatives

The FSC will continue to provide support to VA's Financial and Logistics Integrated Technology Enterprise initiative and other financial system enhancement efforts in FY 2007 and beyond.

### ■ Centralization of Construction Payments

Centralization of construction payments at the FSC began in FY 2006 and is scheduled for completion by FY 2007.

Our residential training center provides an opportunity for police officers to train in an environment similar to the one in which they work. In FY 2006, we trained over 1,082 law enforcement professionals.



A Live Scan Classification Management System takes flawless fingerprint images and electronically transmits them to OPM. This device has decreased the rejection rates by the FBI and the wait time of our customers.



## Security and Law Enforcement

The **Law Enforcement Training Center (LETC)** is the only Federal provider that offers specialized training dealing with assaultive patients and policing in a healthcare environment (mandated by Title 38 U.S.C.). Approximately 2,700 VA law enforcement personnel work closely with the medical treatment teams at VA health care facilities throughout the country to resolve patient-related incidents in the most therapeutic manner. Students leave our training program with a more focused, detailed understanding of how to diffuse a potentially volatile situation.

Our unique training program has proven to be attractive to Federal law enforcement communities at healthcare facilities, parks, museums, military installations, and other special missions and limited jurisdiction settings nationwide that possess a customer-oriented vision similar to that of VA. The students receive practical and classroom instruction on the importance of ensuring the safety of all patients, customers, and staff while maintaining order.

The LETC has been very responsive in addressing the concerns of its customers by tailoring courses to meet specific law enforcement needs. A firearms course was introduced into the program to address the growing concern of encounters with armed patients and visitors. This well-attended course is physically and mentally challenging. It provides training in the proper deployment of firearms tactics and safety. At the request of customers, the LETC developed several specialty courses (such as Advanced Crime Scene Processing and Technical Surveillance Installation) geared toward detective and investigator disciplines to enhance abilities to conduct criminal and administrative investigations.

Today, with the heightened security awareness in the Federal workplace, the ability to properly screen personnel prior to employment and entry into Federal agencies has become paramount. The **Security and Investigations Center (SIC)** ensures that employees who provide patient protection, process claims, have access to veterans' information, or provide medical care receive the appropriate level of background investigation by working closely with the Office of Personnel Management (OPM), VA Central Office staff, or VA regional offices. In addition, the SIC provides quality and timely background investigations and adjudications for national security and public trust positions, provides security checks for appointees and/or high-level award recipients centralized to the Secretary of VA, processes fingerprints, and issues identification cards.

## Plans for 2007 and Beyond



### ■ **Construction of New Dormitory**

The LETC will continue to work with VA Central Office to obtain funding for the construction of a new dormitory that will be built adjacent to the existing training and housing units to accommodate the growing needs of the in-house residence program.

### ■ **Development of a Centralized Records Management System**

In an effort to better serve VA, the LETC worked with the AAC to develop a centralized records management system to house all VA police records. The system was beta-tested in FY 2006, and we anticipate it will be rolled out in FY 2007.

### ■ **Implementation of the VA Police Automated System of Records**

The VA Police Automated System of Records will give senior leadership enhanced management capability for all VA-related law enforcement activity and facilitate the reporting of criminal statistics to other Federal agencies.

### ■ **Implementation of a 40-hour Patrol Officer Refresher Training Program**

During FY 2006, at the direction of the VA Office of Security and Law Enforcement, the LETC developed a 40-hour patrol officer refresher training program for VA police officers. The program will begin in FY 2007.

### ■ **Expansion of Specialty Courses**

In FY 2007 and beyond, the LETC will continue the expansion of its specialty courses to enhance the professionalism of our VA officers and meet the demands of our OGA customers who are underserved by other Federal training facilities.

### ■ **Implementation of E-Qip**

The SIC plans to implement E-Qip, a secure Internet-based program used for the completion of all required background investigation forms, by the end of FY 2007. E-Qip is expected to reduce workload and administrative costs and to enhance the overall background investigation program for the Department.